

**RENAISSANCE ZONE AUTHORITY  
MEETING MINUTES  
February 21, 2012**

The Bismarck Renaissance Zone Authority met on February 21, 2012 in the 2<sup>nd</sup> Floor Conference Room in the City-County Office Building at 221 North 5<sup>th</sup> Street.

Authority members present were Dave Blackstead, Jim Christianson, Chuck Huber, George Keiser, Brenda Smith and Curt Walth.

Authority member Kevin Magstad was absent.

Technical advisor Jeff Ubl was present.

Technical advisor Bruce Whittey was absent.

Staff members present were Jason Tomanek, Kimberley Gaffrey, Carl Hokenstad, Kim Lee and Brenda Johnson.

Guests present were Randy Thorson and Warren Ackley – 4202 Timberline Drive – Fargo, Carla Pine – 4916 Harbor Trail SE, Mandan, Curly Schoch – 2414 Winchester Drive, Joan Millner – 1315 North 3<sup>rd</sup> Street and Kate Herzog and Dawn Kopp (Downtowners).

**CALL TO ORDER**

Chairman Blackstead called the meeting to order at 4:00 p.m.

**MINUTES**

The minutes of the November 29, 2011, December 7, 2011 and December 20, 2011 meetings were distributed with the agenda packet.

**MOTION:** A motion was made by Mr. Walth and seconded by Ms. Smith to approve the minutes of the November 29, 2011, December 7, 2011 and December 20, 2011 meetings as received. The motion passed unanimously with members Blackstead, Huber, Smith and Walth voting in favor.

Jim Christian arrived at the meeting at 4:02 p.m.

**RENAISSANCE ZONE PROJECT APPLICATIONS**

**A. 217 North 3<sup>rd</sup> Street – JLB-BIS, Inc. – Rehabilitation**

Mr. Tomanek gave an overview of the rehabilitation project by JLB-BIS, Inc. for the building at 217 North 3<sup>rd</sup> Street. He said the applicant is to rehabilitate the entire building and add a rooftop deck. The exterior portion of the project will consist of maintaining the historically appropriate façade with new windows and doors, removing the existing awning to reveal the existing

transom windows. The interior of the building will be fully renovated into a bar and grill with exposed brick walls, new flooring, new ADA compliant restrooms and an ADA compliant accessible ramp. The project also includes a new roof that will support a rooftop deck, complete upgrades to the plumbing, electrical and HVAC systems. Mr. Tomanek concluded by saying the estimated property tax exemption would be \$20,750 over five years and the estimated state income tax exemption would be \$75,000 over five years. The total project investment is approximately \$350,000+ and the estimated value with the investment is \$265,000 (Assessing Division estimate).

Mr. Tomanek listed the following findings for the proposed Renaissance Zone project:

1. The proposed use is consistent with the City's Renaissance Zone Development Plan.
2. The proposed exterior rehabilitation would be sufficient to eliminate any and all deteriorated conditions on the exterior of the building.
3. Using the 2010 assessed value of the buildings (\$113, 500) and the proposed investment of \$350,000, the level of re-investment is approximately 300 percent. The minimum level of investment for rehabilitation projects is 50 percent of the assessed building value made through capital improvements. The proposed investment would be equivalent to a per square foot cost of \$198.31.
4. The applicant anticipates that the exterior rehabilitation and construction of the addition would be complete in May 2012.
5. The Downtown Design Review Committee reviewed the proposed project on February 16, 2012 for compliance with the DC-Downtown Core zoning regulations. The Committee believes the proposed rehabilitation project would fulfill the requirements of the zoning district by maintaining the original architectural style of the building, by removing existing awnings to expose the original window openings and by having materials and exterior colors that are compatible with or complementary to those used on adjoining parcels.

Mr. Tomanek then listed the following additional information for the proposed Renaissance Zone Project:

1. This building is referred to as the Rue Building in the *Historical and Architectural Inventory and Evaluation of Downtown, Bismarck* (February 2000). The one-story building was designed and constructed in 1940 by Milton Rue and was used as the office building for Rue Construction upon completion. The building is constructed of reinforced concrete veneered on the exterior by brick. The main façade (west elevation) features decorative brick work comprised of alternating blocks of three soldier sets and three stretcher sets of brick. The most recent occupant of the building was the Bain Agency. The building has been vacant for over a year.

Mr. Tomanek said based on the above findings, staff recommends approval of the rehabilitation of the building at 217 North 3<sup>rd</sup> Street by JLB-BIS, Inc. as a Renaissance Zone project, a 100% property tax exemption on the building and improvements for five years beginning with the date

of completion, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of completion with the following conditions:

1. The project generally conforms to the project description, site plan and conceptual images submitted with the application.
2. All the necessary building and other required permits are obtained prior to commencement of the project.
3. The exterior brick work be inspected and repaired, if necessary.
4. A tree is planted in the public right-of-way (sidewalk) in front of the property.

Randy Thorson said that JLB-BIS, Inc. is very excited for this project, especially with the opportunity to include the rooftop deck.

There was a brief discussion amongst the Renaissance Zone Authority members and the applicants on the building itself and landscaping requirements.

**MOTION:** Based on the findings included in the staff report, a motion was made by Ms. Smith and seconded by Mr. Christianson to recommend approval of the request for rehabilitation of the building at 217 North 3<sup>rd</sup> Street by JLB-BIS, Inc. as a Renaissance Zone project, a 100% property tax exemption on the building and improvements for five years beginning with the date of completion, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of completion with the following conditions: 1) the project generally conforms to the project description, site plan and conceptual images submitted with the application; 2) all the necessary building and other required permits are obtained prior to commencement of the project; 3) the exterior brick work be inspected and repaired, if necessary and 4) a tree is planted in the public right-of-way (sidewalk) in front of the property. The motion passed unanimously with members Blackstead, Christianson, Huber, Smith and Walth voting in favor.

#### **B. 100 West Broadway – Broadway Centre, LLC – Lease**

Mr. Tomanek gave an overview of the lease project by Broadway Centre, LLC. He said the applicant is proposing to open a new restaurant/bar in the Renaissance Zone. The owner of the building, Pine Properties, LLC, is currently constructing the building as a Renaissance Zone project that was approved in July 2011. Completion of the building is scheduled for April 2013. Mr. Tomanek concluded by saying the building floor area is 150,000 square feet and the applicant's lease area would be approximately 5,700 square feet, with an estimated income tax benefit of \$5,000-10,000 over five years.

Mr. Tomanek listed the following findings for the proposed Renaissance Zone project:

1. The proposed use is consistent with the City's Renaissance Zone Development Plan.

2. The lease will be for new business locating in the Renaissance Zone.
3. The applicant is not required to make a financial investment in the property because the building construction has previously been approved as a Renaissance Zone project.
4. The building is currently under construction as a separate Renaissance Zone project.
5. The project completion date is projected for April 2013.

Mr. Tomanek said based on the above findings, staff recommends approval of the designation of the lease of 5,100 square feet of space in the building at 100 West Broadway Avenue by Broadway Centre, LLC as a Renaissance Zone project with an exemption from state tax on income derived from the business and investment location for five years beginning with the date of occupancy.

**MOTION:** Based on the findings included in the staff report, a motion was made by Mr. Walth and seconded by Ms. Smith to recommend approval of the request for designation of the lease of 5,100 square feet of space in the building at 100 West Broadway Avenue by Broadway Centre, LLC as a Renaissance Zone project with an exemption from state tax on income derived from the business and investment location for five years beginning with the date of occupancy. The motion passed unanimously with members Blackstead, Christianson, Huber, Smith and Walth voting in favor.

### **C. 100 West Broadway – Various Pine Companies – Lease**

Mr. Tomanek explained that Mr. Pine was called out of town on business unexpectedly, therefore was unable to attend the meeting. He said that staff suggests the public hearing for this project be continued to the March 21, 2011 RZA meeting. Mr. Tomanek then gave a brief overview of the proposed lease projects.

George Keiser and Charlie Whitman arrived at the meeting at 4:20 p.m.

There was some discussion between the Renaissance Zone Authority members and staff about the proposed lease projects and the general consensus was to continue the public hearing to the March 20, 2012 meeting.

**MOTION:** A motion was made by Mr. Walth and seconded by Ms. Smith to continue the public hearing to the March 20, 2012 meeting. The motion passed unanimously with members Blackstead, Christianson, Huber, Keiser, Smith and Walth voting in favor.

### **DISCUSSION OF PROGRAM INPUT MEETINGS – EXECUTIVE SUMMARY**

Mr. Tomanek said that the executive summary has been revised to reflect comments received by Renaissance Zone Authority members.

## **DEVELOPMENT PLAN AMENDMENT – UPDATE**

Mr. Tomanek stated that the Development Plan has been submitted to the North Dakota Department of Commerce – Division of Community Services (DCS) for final review. He added that he will report back to the Renaissance Zone Authority with the DCS comments.

**MOTION:** A motion was made by Mr. Keiser and seconded by Mr. Christianson to approve the proposed Development Plan and present it to the Board of City Commissioners for final approval. The motion passed unanimously with members Blackstead, Christianson, Huber, Keiser, Smith and Walth voting in favor.

## **REAPPOINTMENT OF MEMBERS**

Chairman Blackstead announced the reappointment of the Renaissance Zone Authority members, Curt Walth and Jim Christianson.

## **STATUS OF APPROVED RENAISSANCE ZONE PROJECTS**

Mr. Tomanek said that no Renaissance Zone projects have been closed out since the last Renaissance Zone Authority meeting.

## **OTHER BUSINESS**

There was no other business

## **ADJOURNMENT**

There being no further business, Chair Blackstead adjourned the meeting of the Bismarck Renaissance Zone Authority at 5:00 p.m.

Respectfully Submitted,

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Kimberley Gaffrey  
Recording Secretary

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David Blackstead  
Chair